



MOUNTAIN VIEW EMPLOYEE HOMEBUYER PROGRAM

The Mountain View Employee Homebuyer Program provides a low-interest loan to eligible City of Mountain View employees in order to purchase a home and live in Mountain View. The goals of the program are to provide the community with locally based first responders and to have more employees be a part of the Mountain View community.

- Eligibility:**
- Applicant must be a full-time, permanent City of Mountain View employee who has successfully completed the probationary period.
 - Household income:
 - Sworn Police/Fire Officers and Dispatchers – no income limits.
 - All other employees – household income (3-year average) cannot exceed 120 percent of the Area Median Income, adjusted for household size:

2010 INCOME LIMITS						
Household Size	1	2	3	4	5	6
Maximum Annual Income	\$88,600	\$101,300	\$113,950	\$126,600	\$136,750	\$146,850

NOTE: Loans for sworn Police/Fire Officers and Dispatchers that exceed the above income limits will be funded with General Fund Reserves. Loans for all other employees whose household income does not exceed the income limits will be funded with the City's Below Market Rate (BMR) housing funds.

Maximum Loan: \$100,000

Interest Rate: Fixed Rate set at the Applicable Federal Rate (AFR) in effect at the time of loan commitment. As an example, the AFR in January 2010 was 4.1 percent.

Term:

- Thirty (30) years.
- Interest-only payments due for the first five years.
- Beginning Year 6, both interest and principal payments are due to fully amortize the loan over the remaining 25 years.

House Purchase:	<ul style="list-style-type: none"> • Home must be located within the City of Mountain View limits and must be the employee's primary place of residence throughout the term of the loan. • The purchased home may consist of a new or existing single-family attached or detached dwelling, townhouse, rowhouse or condominium. • The home may not be rented.
First Mortgage:	The first mortgage cannot exceed \$850,000. The mortgage must have a 30-year term (or less) and a fixed interest rate. Negative amortization, adjustable rate or balloon payment mortgages are not allowed.
Minimum Employee Contribution:	Five percent (5%) of the purchase price for BMR funded loans and 10 percent of the purchase price for loans funded with General Fund Reserves must be money that the employee invests in the home purchase.
Loan Uses:	The City's loan can be used for the down payment, closing costs and/or buying down the interest rate on the first mortgage.
Loan Payments:	<ul style="list-style-type: none"> • The City will collect interest and principal payments through payroll deductions during the term of the loan and will provide the employee with an annual year-end statement that summarizes loan activity. • During the term of the loan, the employee can elect to pay off a lump sum amount, increase biweekly payments or pay off the loan with no prepayment penalty. Employees can make changes to the payment schedule up to twice a year.
Employment Continuity:	Upon termination of employment for any reason, the interest rate on the loan will increase to 1.5 percent above the first mortgage rate (or other rate acceptable to the mortgage lender and the City's Finance and Administrative Services Director). Monthly payments will be due based on this higher interest rate for up to five years after employment ends, at which time the loan will be due in full to the City.
For Additional Information:	PAHC Housing Services, LLC, a nonprofit organization under contract with the City, is administering the Employee Homebuyer Program. For additional information about the program, the application process or qualifying for a loan, contact:

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